

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Citrus Annual

Orange Juice Production and Trade

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Report Highlights:

Costa Rica's 2010/2011 orange crop is forecast at 10 million boxes. Farmers are concerned about the threat of citrus greening, which is not yet present in the country. Therefore, area planted is not expected to increase from the current estimated 22,000 ha.

Executive Summary:

COSTA RICA: ORANGE JUICE PRODUCTION AND TRADE

Costa Rica's orange production is concentrated in the northern part of the Alajuela province, around Los Chiles, Guatuso and Upala, and in the northern part of Guanacaste, near the border with Nicaragua. Two companies, Ticofrut and Del Oro, control production and processing of oranges. The two companies own orange groves, but also compete for the production of an estimated 4,000 independent producers. Production of oranges has also increased in Nicaragua, near the border with Costa Rica. The oranges from these plantations are trucked to Costa Rica for processing. Industry estimates put area planted at around 22,000 ha. and 6.0 million orange trees, including area planted on the Nicaraguan side of the border. At this point, area planted is not expected to increase, primarily as a result of concern among growers that citrus greening disease will eventually affect Costa Rica. For instance, a large producer in Guanacaste, close to the border with Nicaragua sold part of its farm to Del Oro and is planning to dedicate most of the remaining area to forestry projects instead of orange production. Producers have mentioned that if not for the threat of citrus greening, area planted would probably increase, since the international price of juice concentrate, used as the basis for payment by the processing plants, has become attractive.

According to producers, production conditions, both in terms of climate and soils are very favorable on both sides of the Costa Rica-Nicaragua border. They also claim that the price of orange juice concentrate has improved substantially over the last year, outpacing the increase in the cost of inputs.

Although accurate production data is not available from government or industry sources, orange production in 2009/2010 reached an estimated 9 million boxes (40.824 kg.), and is expected to reach about 10 million boxes in 2010/2011. Production is expected to increase as a result of improved farm management and new trees coming into production. The larger producers are beginning to experiment with new varieties that allow planting a larger number of trees per hectare. This is also expected to result in higher yields in the future.

Costa Rica exports the majority of its orange production as frozen orange juice concentrate, but also exports non frozen concentrate juice. According to information from the Costa Rican Trade Promotion Board (PROCOMER), during calendar year 2009, juice exports to all destinations amounted to 50,326 MT valued at \$53.9 million. Data available for 2010 (for January-October), indicate that export value had reached \$29.8 million, while volume amounted to 35,833 MT.

The United States was Costa Rica's main destination for orange juice exports in 2009 and 2010. Exports to the U.S. reached 24,011 MT in 2009, valued at \$33.8 million, and 9,008 MT valued at \$16.0 million during the period January-October 2010. Other important destinations include the Netherlands, Panama, and Nicaragua and China, in that order.

Costa Rican orange juice enters the United States duty free under the CAFTA – DR.